

# OPERATING BUDGET REVISED FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:** 6/8/2017  
**CONTACT DEPARTMENT(S):** Neighborhood Housing and Community Development  
**FUND(S):** General Fund

**SUBJECT:** Approve an ordinance designating the Chestnut Neighborhood Revitalization Corporation and the Guadalupe Neighborhood Development Corporation as Community Land Trusts and granting the corporations a property tax exemption on certain properties.

**CURRENT YEAR EXEMPTION AMOUNT - IMPACTING UNREALIZED REVENUE NEXT YEAR:**

Unrealized Revenue:  
(\$16,701.34) Property Tax Exemption for Community Land Trusts  
 (\$16,701.34) Total Unrealized Revenue

**FIVE-YEAR IMPACT:**

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Total Unrealized Revenue	<u>(14,453)</u>	<u>(16,701)</u>	<u>(2,658)</u>	<u>(2,737)</u>	<u>(2,820)</u>
Total Requirements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Budget Impact	<u>(14,453)</u>	<u>(16,701)</u>	<u>(2,658)</u>	<u>(2,737)</u>	<u>(2,820)</u>

**ANALYSIS/ADDITIONAL INFORMATION:** The total amount of unrealized revenue for this item is estimated at \$16,701 in FY 2018 based on the information received from the Travis County Appraisal District (TCAD). The amount of unrealized revenue in 2017 is last years estimated exemption amount.

Most of the proposed Community Land Trust parcels are designated as low-income properties and currently receive an exemption from ad valorem taxation. The exemption from property tax revenue will reduce the potential revenues the General Fund receives the following year. The forecasted future unrealized revenue drops to a more normalized level in 2019 because a development with a large fiscal impact is expected to be completed in 2018 (year 2019 through 2021 above are an average of prior year exemption amounts with a 3% growth rate applied).